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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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STATUS OF FARMERS' ELEVATORS IN THE UNITED STATES

More than one-half billion bushels of wheat, corn, rye and other grains were handled by the 3,331 farmers' elevators reporting to the United States Department of Agriculture for the 1926-27 marketing season. This grain had a sales value of approximately \$460,000,000, and was handled for approximately 840,000 farmers in the five important grain-producing areas of the United States. The 3,331 associations operating the elevators reported paid-up capital to the amount of \$57,000,000 and surplus of nearly \$25,000,000. The total investments in buildings and equipment amounted to nearly \$60,000,000. The associations have about 420,000 stockholders, most of whom are farmers.

In addition to handling grain many of the associations are engaged in the buying of farm supplies for their patrons. This business in side lines amounted to nearly \$170,000,000 during the last business year.

The five grain-producing areas in which the elevator associations were located were the Corn Belt, spring-wheat area, winter-wheat area, central soft-wheat area, and Pacific area. The Corn-Belt area with 1,603 associations includes mainly the elevator associations in Illinois, Iowa, southern Minnesota, eastern South Dakota, and eastern Nebraska, engaged largely in handling corn. The 695 associations in the spring wheat area are largely engaged in receiving and forwarding spring-wheat and other spring grains to the terminal markets. These elevators are located chiefly in northwestern Minnesota, the Dakotas and eastern Montana. The winter-wheat area with 553 elevator associations includes portions of southwestern Nebraska, Kansas, Oklahoma, northwestern Texas, and eastern Colorado. Three hundred ninety-seven associations are credited to the soft-wheat area which includes the greater part of Indiana, southern Michigan, western Ohio, and eastern Illinois. Most of the 80 associations credited to the Pacific area are in Washington, Oregon, northern Idaho, and western Montana.

Sixty-five per cent of the associations were classed as cooperative as there was a limit on the per cent of dividends payable on capital stock and provision for the payment of patronage dividends. The per cent of total elevator associations which were cooperative in the several producing areas were: spring-wheat area, 74 per cent; winter-wheat, 73; soft-wheat, 70; Corn Belt, 58; Pacific, 32.

ALBERTA POOL OPERATES MANY COUNTRY ELEVATORS

More than 15,000,000 bushels of grain had been handled by the country elevators operated by the Alberta Cooperative Wheat Producers, Ltd., Calgary, up to January 1. The association is operating 157 elevators this season, with three more in process of construction. Last season it operated only 42 elevators.

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THIRD YEAR FOR INDIANA WHEAT POOL

Net worth of the Central States Soft Wheat Growers' Association, Indianapolis, increased from \$34,968 on June 30, 1926, to \$112,507 on June 30, 1927. A total of 3,157,952 bushels of wheat of the 1925 crop was received from members, and 4,177,453 bushels of the 1926 crop. The gross pool income for the 1925-26 season was \$5,216,419, and for the 1926-27 season, \$5,551,104. This association was formed in 1924 as the Indiana Wheat Growers' Association and is now marketing its fourth crop.

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NEW PROVISIONS IN CONTRACT OF KANSAS WHEAT POOL

Several new provisions have been added to the membership contract of the Kansas Cooperative Wheat Marketing Association, Wichita, to meet changing conditions. One of these provisions is the adoption of what is called the "daily pool plan" under which the member has the option of marketing his wheat through the daily pool and securing full settlement, except for the protein premium, as soon as he delivers. At least one-half of his wheat must go into the seasonal pool. Under this plan the grower who wishes to sell at harvest will receive full settlement, except for protein premium, for half of his wheat on delivery, and an advance of about 60 per cent of the value of the other half. This provision is for the benefit of the large number of Kansas farmers who are unable to meet obligations falling due immediately after harvest. The daily pool plan, it is believed, will give farmers a chance to adjust their finances gradually to the pool plan of marketing.

Another new provision in the contract is that a member may withdraw from the association at the end of two years if he is dissatisfied, or at the end of any two-year period thereafter.

A third addition to the contract provides that whenever 50 per cent of the wheat acreage in the state is under contract, the pool will automatically become a straight seasonal pool. The management believes that experience has demonstrated that with half the wheat under control of an association and moving to market in an orderly manner, there will be little need for a daily pool.

ADVERTISING CAMPAIGN FOR SUNKIST GRAPEFRUIT

An intensive advertising campaign for Sunkist grapefruit is running on the Pacific Coast, using newspapers, radio, store demonstrations and dealer service. Weekly insertions with illustrations by a popular artist are scheduled in newspapers for four months, telling of the superior quality and healthfulness of Sunkist grapefruit. A dinner hour program is being broadcast weekly over a network of stations; recipe books are being distributed, and dealer service men are helping retail dealers display Sunkist grapefruit for sale.

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CHRISTMAS REFUND TO COLORADO POTATO GROWERS

A refund amounting to \$33,000 was distributed to the member-units of the Colorado Potato Growers' Exchange during the holiday season. This sum represented the unexpended portion of the deduction made last year to cover operating expenses, after \$70,000 had been set aside as a reserve and credited to the grower-members, to be returned at some future time. This reserve for operating capital averages close to 4 cents per hundred pounds in most of the districts.

The amount of money received by members of the various local units depends largely upon the economy with which associations conducted their operations last year, the rates of the refund ranging from 2.4 cents to almost 4.75 cents.

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CALIFORNIA ASSOCIATION SHIPS MAINLY BARTLETT PEARS

Leading all the units of the California Fruit Exchange, the Sacramento River Association shipped 900 cars of fruit in 1927 with a total delivered value of \$1,755,177. While the shipments were 55,000 boxes less than in 1926 the gross business amounted to about \$350,000 more, chiefly because of exceptionally good returns for Bartlett pears, the main crop packed by this association, which is located in the earliest shipping section of the state for Bartletts. During 1927 the shipments of Bartletts aggregated 385,164 full boxes and 2,216 half boxes. Other fruit shipped included nearly 152,000 packages of plums, over 8,000 packages of cherries, nearly 17,000 boxes of peaches, and some other fruit.

The Sacramento River Association owns and operates three complete, modern, packing houses, located at Hood, Walnut Grove and Sacramento. The Hood packing house was the pioneer community packing house of the California Fruit Exchange and served as a model for all later packing houses.

ALL OF GROSS SALES GO TO GROWERS

The Pomfret-Chautauqua and Erie Grape Growers' Cooperative Association, Inc., Fredonia, N. Y., marketed grapes to the value of \$102,837 during the 1927 season. The entire amount was distributed among the growers, the expense of operating the association being met in connection with the handling of side lines, such as feeds, fertilizers, salt, spraying materials, posts and wire for fences, and vineyard supplies.

Approximately one-half the grapes were marketed in 12-quart baskets, about two-fifths went to the juice factories, and about one-tenth of the total quantity was marketed in 2-quart baskets, which were packed in a central packing house. The year closed with net earnings of \$1,950 and a surplus of \$3,535.

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MELON ASSOCIATION REVIEWS MEMBERSHIP FIGURES

"A voluntary increase in membership is the highest possible endorsement of Sowega," states the management of the Sowega Melon Growers' Association, Adel, Ga., in reviewing the membership figures for the years of operation. Viewed in this light he considers the association highly successful as more than 200 members have come in since November 15 without any campaign or special effort, thereby indicating approval of the organization and its work. Practically every local has increased its membership. The association started in 1920 with 179 members and now has between 2,900 and 3,000. A majority of the original 179 are still shipping members. Five hundred twenty-five new members were added during 1927.

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NEW MEANS OF DISPOSING OF CULL APPLES

Trustees of the Wenatchee District Cooperative Association, Wenatchee, Wash., are considering the possibilities of new means of disposing of cull apples. Certain information and suggestions regarding canning apples were presented at the December meeting and a committee was appointed to prepare a report and present it at the next meeting.

A number of cannery concerns in the Northwest have revised their plan of operation so as to include cooperative features and to put themselves in position to borrow money through the Federal Intermediate Credit Bank at low rates of interest. One question before the Wenatchee District Cooperative Association is whether it would be more desirable to establish its own cannery or to employ one of the cooperative canning establishments.

FAVORABLE YEAR FOR EASTERN SHORE OF VIRGINIA EXCHANGE

The 1927 marketing season was a favorable one for the Eastern Shore of Virginia Produce Exchange, Onley, Va. More than three million packages of produce were marketed; total sales, including supplies purchased for and sold to patrons, were nearly \$10,000,000; net earnings amounted to \$84,101; a patronage dividend of \$42,050 was made to members; and the surplus was increased from \$227,005 to \$258,801.

Shipments by patrons through the Exchange included 1,985,199 barrels of white potatoes, 711,914 barrels of sweet potatoes; 164,680 packages of strawberries; 59,473 packages of cabbage; 44,925 packages of onions, and 42,935 packages of miscellaneous products. The total number of packages handled represented an increase of 407,026 packages over the total for the previous year. F.o.b. sales amounted to \$9,058,852, or 90.6 per cent of total sales, and consigned sales amounted to \$718,300.

Farm supplies purchased and sold to members were valued at \$220,312 as follows: seed, \$83,955; hampers, \$946; covers, \$135,410.

Expenses for the year, including allowances, adjustments, losses, dividends on capital stock, taxes and depreciation, amounted to \$565,454, which amount was 5.7 per cent of total business.

Figures indicating growth of business since 1914 are as follows:

Year	Packages handled (Number)	Sales	Expenses*		Patronage refunds
			Amount	Per cent sales	
1914	2,489,955	\$ 5,752,690	\$233,180	3.9	\$46,613
1915	2,995,151	**3,395,082	197,384	5.8	None
1916	3,122,970	6,865,781	272,319	3.9	56,522
1917	2,852,150	10,596,920	356,946	3.3	45,179
1918	1,884,795	8,690,426	269,990	3.1	21,628
1919	2,932,327	13,081,545	303,601	2.3	61,127
1920	2,937,784	19,269,890	555,929	2.9	None
1921	2,853,142	9,156,972	382,786	4.2	43,277
1922	3,212,150	9,511,124	364,641	3.9	38,618
1923	2,808,256	11,409,195	389,455	3.3	31,913
1924	3,477,520	10,465,667	396,602	3.8	15,480
1925	2,647,961	10,678,310	368,768	3.5	None
1926	2,602,150	8,820,431	387,732	4.4	None
1927	3,009,176	**9,997,464	565,454	5.6	42,050

* Including adjustments, dividends on capital stock, taxes, etc.

** Including purchases for members.

EXPANSION OF ABERDEEN EQUITY UNION CREAMERIES

Business of more than a million dollars was transacted during the past year by the Equity Union Creameries, Aberdeen, S. D., the exact figures being \$1,068,977. The creamery manufactured 2,284,781 pounds of butter during 1927, also 66,000 gallons of ice cream, and 28,480 pounds of cheese. Members received an average price of 46 cents for their butterfat. Net earnings amounted to \$50,132, from which a patronage dividend of one and one-half cents per pound butterfat has been declared. The organization closed its fourteenth year with assets of \$259,971, and a net worth of \$223,674.

In his address to the members attending the annual meeting, the president of the Equity Union Creameries called attention to the fact that this was the second year in which the creameries had transacted business amounting to approximately a million dollars. He also outlined the expansion program and the development of branch creameries, the first of which was established at Mitchell, S. D., in 1926, and made nearly half a million pounds of butter last year. In the spring of 1927 an assembling station was opened at Jamestown, N. D., from which cream was shipped to Aberdeen for churning. This branch has developed so well that a site has now been purchased and it is expected that an Equity Union creamery will be ready to begin churning by the first of May.

During 1927 a cheese department was established at the Aberdeen plant and about 25,000 pounds of cheese made. It is now announced that a plant for drying buttermilk is to be installed by the first of April and buttermilk powder made available to patrons.

The growth of this cooperative enterprise, as measured by pounds of butter made, is as follows:

Year	Pounds	Year	Pounds
1916	500,000	1922	1,526,245
1917	854,181	1923	1,518,779
1918	1,153,396	1924	1,622,765
1919	1,143,880	1925	1,800,291
1920	1,340,115	1926	2,135,041
1921	1,659,260	1927	2,284,781

The Aberdeen creamery of the Equity group of creameries, was the first to establish branches, then the Farmers' Equity Cooperative Creamery Association, Orleans, Nebr., established a branch at Denver, Colo., and the Farmers' Equity Union Creamery Company, Lima, Ohio, established a branch at Fort Recovery, Ohio. This makes seven Equity plants marketing their butter through the central agency, the Chicago Equity Union Exchange.

NEW YORK CHEESE MARKETED COOPERATIVELY

Cheese sales by the St. Lawrence County Cheese Producers' Association, Inc., De Peyster, N. Y., amounted to \$647,801 for 1927. A total of 2,798,114 pounds of cheese was made by the member-units of the association. Earnings by the federation from direct sales amounted to \$7,719 and earnings from cold storage activities were \$1,120. Certificates of indebtedness to the amount of \$6,000 have been issued to cover deductions made for operating capital.

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MIAMI VALLEY ASSOCIATION PLANS FOR SURPLUS MILK

A plan to market all the surplus milk in the Dayton market has been announced by the Miami Valley Milk Association, Dayton, Ohio. The association proposes to erect a building adjoining its present creamery, which is now running at full capacity, and here to receive all surplus milk from the cooperating dealers and prepare it for market. Producers will receive just what the surplus milk brings less the cost of putting it on the market. The dealers will buy only fluid milk and pay fluid milk price for it, sending all their surplus milk to the new plant. This plan calls for the cooperation of both the producers and the dealers controlling from 80 to 90 per cent of the milk in the market.

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OHIO MILK ASSOCIATION TAKES IN MORE TERRITORY

As the city of Cleveland needed more milk, the Ohio Farmers' Cooperative Milk Association has reached out 100 miles to Fostoria and invested \$30,000 in a plant, also adding enough producers to help insure a supply during the short season. The new plant has a maximum capacity of 5,000 gallons a day. Milk is cooled to 38 degrees or lower and shipped to Cleveland in insulated, glass-lined, tank cars.

In addition to furnishing milk to Cleveland, the city of Fostoria is to be furnished a uniform supply of milk from tuberculin tested herds. Milk which is not required in fluid form for Cleveland and Fostoria is to be made into milk powder and other products.

Expansion into the Fostoria district came first from local interest. A local appeal was investigated in March and a number of meetings were held throughout the territory. Gradually the five-year contracts were signed. Construction work began in June and the plant was put in operation November 1. Eighty-five producers are now delivering their milk. They are organized in a local of the Ohio Farmers' Cooperative Milk Association and hold regular meetings.

SEVENTH YEAR COMPLETED BY FAYETTE PRODUCERS

Livestock shipments direct to packers are increasing with the Fayette Producers Company, Washington Court House, Ohio. In 1924, 114 floors of livestock were shipped direct to packers; in 1925, 672 floors; in 1926, 878 floors; and in 1927, 1,573 floors. Total shipments by this cooperative company in 1927 consisted of 2,124 floors of livestock including 142,706 animals, weighing 29,293,095 pounds and valued at \$2,953,295.

More than 88 per cent of the animals shipped were hogs, and about 8 per cent were sheep.

Shipments by the company since its organization in 1920 are as follows:

Year	Floors shipped	Hogs	Cattle	Calves	Sheep	Total
1921*	492	31,662	362	354	1,657	34,035
1922	670	42,020	886	1,059	2,686	46,651
1923	862	57,034	1,389	1,817	3,225	63,465
1924	936	62,116	1,546	2,343	4,060	70,065
1925	1,188	72,064	1,140	3,554	6,348	83,106
1926	1,513	89,262	1,118	4,002	8,738	103,120
1927	2,124	125,676	710	4,760	11,560	142,706

* From October 27, 1920, to December 31, 1921.

Refunds amounting to \$4,218 were made to livestock shippers who had been loyal to their associations throughout 1927.

Farm supplies valued at \$88,243 were purchased by the company for its patrons. On these there was a refund to patrons of \$5,701.

There were 1,027 shareholders at the close of 1927 and the company had a net worth of \$38,535, as will be noted by the figures below:

Year	Number of shareholders	Net market value livestock shipped	Supplies sold	Net worth of company
1921*	453	\$ 553,394	\$ 3,034	\$ 5,813
1922	618	834,549	18,322	7,679
1923	746	910,991	61,408	12,778
1924	828	1,111,461	60,764	21,000
1925	943	1,923,254	104,178	25,316
1926	1,065	2,661,745	79,757	31,251
1927	1,027	2,953,295	88,243	38,535

* From October 27, 1920, to December 31, 1921.

THIRTY-SIX COUNTY LIVESTOCK SHIPPING ASSOCIATIONS IN OHIO

Preliminary reports from 36 Ohio counties affiliated with the Ohio Livestock Cooperative Associations, Columbus, give information regarding the cooperative marketing of livestock during 1927. Shipments included 388,225 hogs, 132,926 sheep, 36,694 calves, 16,644 cattle, a total of 574,489 animals. This livestock had a total weight of 112,874,191 pounds and a sales value of \$11,297,753. Eighteen of the county associations sent their shipments to Cleveland, 8 to Pittsburgh, 2 to Cincinnati, 2 to Buffalo, 4 marketed through the Eastern States Company, Columbus, and 2 shipped to local Ohio points.

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TEN YEARS OF COMMISSION BUSINESS IN ST. JOSEPH

Ten years of active service to producers have been completed by the Farmers' Union Live Stock Commission, South St. Joseph, Mo. In the past year the company has handled sales to the amount of \$13,586,418, and purchases to the amount of \$694,220. This includes sales of 69,703 cattle and calves, 416,786 hogs, and 41,173 sheep; also purchases of 10,882 cattle and calves, 418 hogs and 1,794 sheep, a total of 540,756 head. Rail shipments totaled 6,504 cars and truck shipments were equivalent to 2,208 cars, making a total of 8,712.

Commissions collected amounted to \$159,470 and interest to \$2,614, making total earnings, \$162,084. Operating expenses, including surety bonds, insurance, etc., came to \$80,440, leaving net earnings of \$81,643 which is nearly 50 per cent of commissions collected. This amount is to be returned to patrons in proportion to the volume of individual business done with the association. The commissions collected on hogs, cattle and sheep averaged \$18.30 per car. As the average cost of handling was \$9.23 per car, the result was an average saving, because of cooperative activity, of \$9.07.

Below are given available figures regarding the operations of the association:

Year	Cars handled*	Number of animals	Value of animals	Patronage refunds
1922	8,240	558,511	\$11,804,663	\$ 86,610
1923	12,529	843,102	15,410,814	138,661
1924	11,990	792,839	15,033,554	130,248
1925	9,393	586,399	16,128,167	93,543
1926	9,587	583,844	7,720,163	99,255
1927	**8,712	**540,756	14,280,638	81,643

* Including truck receipts in terms of car loads.

** Including purchases.

 LARGE PART OF DEDUCTIONS WILL BE RETURNED

Thirty per cent of the commissions received by the Central Cooperative Association, South St. Paul, Minn., for the marketing of livestock during 1927, are to be refunded to the local shipping associations and individual shippers forwarding the stock. This patronage refund, which will amount to about \$100,000, represents part of the savings in the cost of marketing livestock in the South St. Paul market because of the united effort of the livestock producers in owning and operating their own sales agency.

The number of animals handled by kinds for each of the past six calendar years is indicated by the following figures:

Year	Cattle	Calves	Hogs	Sheep	Total
1922	131,897	117,219	691,356	58,858	999,330
1923	139,722	143,615	1,072,476	53,668	1,409,481
1924	126,840	150,889	1,083,952	58,349	1,420,030
1925	135,847	175,040	987,075	70,015	1,367,977
1926	176,272	212,063	1,031,223	103,220	1,522,878
1927	142,831	186,700	1,017,350	110,714	1,457,595

This association began operating in the fall of 1921. During its first complete calendar year it handled slightly less than one million animals. For the five subsequent years from 1,300,000 to 1,500,000 animals have been handled. The growth of the association is shown by the following figures:

Year	Cars received*	Sales	Net earnings	Patronage dividends
1922	15,571	\$21,756,804	\$101,753	\$ 78,322
1923	20,337	24,723,051	96,373	'72,753
1924	20,017	25,223,870	101,509	90,000
1925	20,009	34,346,912	113,506	92,476
1926	22,946	40,908,878	147,430	**128,068
1927	21,190	33,598,891	108,470	#100,000

* Including stock driven in and delivered by truck.

** Thirty-five per cent of commissions.

Thirty per cent of commissions.

At the close of 1927 the association had reserves of \$71,757, an operating surplus of \$31,221, and current earnings of \$108,470.

WALNUT ASSOCIATION MARKETING BUMPER CROP

With a bumper crop of walnuts, much larger than any previous crop, the California Walnut Growers' Association, Los Angeles, reports that more than 67 per cent of the nuts delivered to the first pool met the requirements for the Diamond grade. The remainder fell within the Emerald grade and off grades. The management makes the following statement:

Never in the history of American agriculture has a maximum crop of any non-perishable commodity been sold during the season of production and at prices profitable to the average producer. Therefore, if this season's crop is entirely disposed of before next fall, on a basis of current prices, the association will have rung up an unprecedented sales record.

The association's pack amounted to over 690,000 bags, about 85 per cent of the state's crop, and 210,000 bags more than ever before. At present prices this pack is expected to bring about \$14,000,000 and the value of the shelled walnuts produced from the culms is estimated at \$1,500,000 additional. The largest previous crop, that of 1925, amounted to 480,000 bags and with the shelled walnuts brought a return of \$12,600,000.

In the ten weeks from October 1 to December 15, the association sold more than 80 per cent of its holdings, or nearly 100,000 bags more than it had ever sold previously in 12 months. Several important packs are entirely sold out, noticeably of the best grades.

The Los Angeles cracking plant is expected to process approximately 12,000,000 pounds of culm walnuts, exceeding the record year of 1925 by 2,000,000 pounds. In December this plant was turning out 11 tons of graded product daily. The major portion of the association's shelled nuts go into vacuum containers and have a heavy consumption during the spring and summer months.

Growers in San Joaquin County have started a movement for the formation of a new local and the erection of a packing house. This will be of distinct advantage to growers who are now delivering their crops to distant packing houses, and also will attract those growers who have not joined the association because there was no packing house within a reasonable distance.

The membership rolls of the association were closed on August 1, 1927, and will not be opened again until January 1, 1929, except (1) to owners of new groves just coming into bearing, who do not own or control other bearing groves, (2) legitimate new purchasers of walnut groves who do not own other groves, and (3) locals formed in new districts where there are no other local associations of walnut growers.

TOBACCO GROWERS OPERATING LOOSE-LEAF WAREHOUSES

The tobacco warehouses belonging to the membership of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., are being operated by the association as loose-leaf sales houses for the sale of tobacco belonging to the members of the organization and other tobacco growers. Selling charges of 25 cents per hundred pounds and $2\frac{1}{2}$ per cent of gross sales, with no charge in excess of 80 cents per hundred pounds, are announced. Such earnings as may result from the operation of the warehouses will go to the owners of the stock in the several district warehousing corporations, which owners are the tobacco growers in the districts who are members of the Burley association.

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THREE STATES MARKET WOOL COOPERATIVELY

A report of the wool of the 1927 clip handled by the Ohio Wool Growers' Cooperative Association, Columbus, shows that 7,229 growers in Ohio, Indiana and Michigan consigned 3,138,849 pounds to the Ohio organization. The number of consignors for each state and the pounds of wool received were as follows: Ohio, 5,573 consignors, 2,614,830 pounds; Indiana, 1,109 consignors, 274,848 pounds; Michigan, 547 consignors, 249,171 pounds. All the wools in the warehouses have been sold except a few Delaines and remittances have been sent to all growers except those in the sections producing fine wool.

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SEVENTH ANNUAL MOHAIR POOL BEING CLOSED

Final settlement for the 1927 mohair pool of the Pacific Cooperative Wool Growers, Portland, Oreg., was made late in January, with a net average price to the grower at his shipping station of about $52\frac{1}{2}$ cents a pound.

Sixteen per cent of the pool graded kid hair, compared with 12 per cent last year. Thirty-seven per cent graded No. 1 and 24 per cent No. 2. Kid hair brought an average of $73\frac{1}{2}$ cents f.o.b. Portland.

The management reports the hardest year yet experienced for marketing mohair, due to changes made in the plushes and other materials used for upholstering furniture and automobiles, and to the smaller number of Pullman cars manufactured. This made the final settlement several weeks later than usual.

REPORTS FOR IOWA MUTUAL INSURANCE COMPANIES

Two mutual insurance companies are affiliated with the Farmers' Educational and Cooperative Union of America, Iowa Division. The Farmers' Union Mutual Insurance Company, Des Moines, furnishes insurance on farm property. On December 31, 1927, it had in force insurance to the amount of \$20,394,492, compared with \$10,632,752 at the close of 1926, according to published reports. The Farmers' Union Mutual Life Insurance Company, Des Moines, Iowa, had in force policies to the amount of \$8,548,750 on December 31, 1927, which represented a gain of \$1,758,000 for the preceding twelve months.

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WEST VIRGINIA ORGANIZATION SERVES MANY FARMERS

Commissions on purchases through the West Virginia Farm Bureau Service Company, Clarksburg, W. Va., totaled \$22,844, made up of the following items: commissions on feed, \$12,746; on fertilizer, \$4,888; on seed, \$1,642; general, \$3,568. There was also an item of \$128 for interest. Expenses amounted to \$18,134, and net earnings were \$4,838.

This company was incorporated in 1925 to buy farm supplies cooperatively for members of the Farm Bureau in West Virginia. It has outstanding share capital of \$3,600. Business transacted amounts to about \$300,000 annually.

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NEBRASKA FARMERS' UNION STATE EXCHANGE REPORTS

Sales of the Farmers' Union State Exchange, Omaha, Nebr., for the past year reached a total of \$1,618,288, not including retail sales from branch stores. This was a considerable increase over the previous year when the total was \$1,512,024. Net earnings for the year were \$49,095. A 4 per cent dividend was voted on capital stock and a substantial sum added to the reserves.

Under the plan of reducing the par value of capital stock, adopted three years ago, 90 per cent of the old shares have been exchanged for new, share dividends have been paid to the amount of \$80,000, and the Exchange has a surplus of \$36,257.

A record year was reported by the machinery department, resulting in net earnings of more than \$5,000. Grocery sales were somewhat lower than for last year, and the clothing department was "in the red" for the year, but made a profit during the last quarter. An increased volume of gasoline and kerosene was handled, the State Exchange acting as buying agent for the state oil association which is serving 14 local associations.

OHIO SERVICE COMPANY SELLS AND BUYS FOR FARMERS

Patronage dividends amounting to \$98,934 were paid by the Ohio Farm Bureau Service Company, Columbus, Ohio, on business handled during 1927. Total sales for the year were \$4,573,085. The items making up the total, with earnings, are as follows:

Commodity	Sales	Earnings
Grain	\$1,743,416	\$ 1,769
Fertilizer	1,248,536	108,152
Feed	1,172,846	
Buttermilk	18,485	5,275
Tank meat scrap	40,412	
Seed	124,250	6,746
Coal	94,198	237
Twine	74,373	41
Potatoes	49,351	729
Gasoline	4,710	85
Salt	2,508	234
Total	\$4,573,085	\$123,268

Miscellaneous items amounting to \$2,735 brought the total earnings to \$126,033. Deductions from earnings for miscellaneous expenses and dividends on capital stock amounted to \$15,203, leaving \$110,800 available for patronage refund and net earnings.

The past year was the first in the history of the company in which the income from each commodity handled was more than enough to cover expenditures in connection with the commodity.

The total unit costs of handling the more important commodities were: fertilizer, 95.6 cents a ton; feed, \$1.32 a ton; coal, 21 cents a ton; twine, 26 cents a hundred pounds; and seed, 48 cents a hundred pounds.

The company was organized in 1923 to function as a selling and purchasing agency. Its growth through the years is indicated by the following figures:

Year	Sales	Patronage dividends
1923	\$1,580,718	\$ 68,247
1924	3,894,244	124,574
1925	3,982,233	151,523
1926	4,639,928	130,822
1927	4,518,000	97,506

Total business for the five years amounts to more than \$18,000,000, and patronage dividends paid during the period to \$572,672.

AGENCY AND PURCHASE-AND-SALE CONTRACTS

Long before the advent of cooperative marketing the courts enforced crop contracts under which the seller agreed to deliver the crop grown on his farm or on certain land, so there is nothing inherently new in the idea of a producer entering into such a contract, aside from co-operation.

What kind of marketing contracts may producers make with their cooperatives? Any kind that is consistent with law. To be more specific, the contract may be of the purchase-and-sale type or of the agency type if the statute under which the association is formed authorizes both types. If the statute is silent as to the type of contract that may be adopted, then it would appear that an association could adopt either type. Many of the cooperative statutes expressly authorize purchase-and-sale as well as agency contracts. Under either type of contract the obligation of the cooperative, generally speaking, is to return the sale price of the members' product on the basis prescribed in the contract less authorized deductions. In the case of purchase-and-sale contracts the purchase price is the resale price less authorized deductions. The fact that a specific purchase price is not named in the contract is immaterial because that is definite which can be made definite. "Under ordinary conditions a valid agreement can be made for purchase and sale without the fixing of a specific price."

If the statute is silent as to the type of contract that may be entered into by a cooperative, and a purchase-and-sale contract is entered into, then it may be claimed that a court would be justified in looking through the form to determine the true nature of the transaction, and, if the facts showed that agency was the dominant characteristic of the transaction, although the contract said it was a purchase-and-sale one, the court might hold it to be an agency contract, but it is submitted that this reasoning fails where the legislature has said that title shall pass under a purchase-and-sale contract.

As indicated, where a statute authorizes a purchase-and-sale contract and provides that it shall pass title to products, this should resolve all doubt as to the validity of such a contract, as it is competent for the legislature to prescribe when title to products shall pass, just as a state may prescribe what shall constitute a deed and pass title to land. The right of producers to enter into contracts making their association their marketing agent, is also clear. In fact, in the case of all cooperatives that account to their producers on the basis of the price received for their products, whether pooled or not, less authorized deductions, the transaction is in essence an agency transaction.

In the case of the purchase-and-sale contract there may be certain practical advantages in that it should be easier ordinarily to negotiate a loan on products to which the borrower has title, in that the right to thus borrow money on them would be apparent and products received

under such contracts would appear to be assets of the association; but if the agency contract authorizes an association to borrow money on products received under it, the right of the association to do so is clear. Again, in buying from a cooperative, there will probably be those who prefer to buy from one who has title rather than from one who acts as agent. In one case the cautious buyer would seek to learn if the association had "good title" to the products it was offering for sale, and in the other the cautious buyer would seek to learn if the association was authorized to sell the products. So far as a buyer from the cooperative is concerned, his liability to the holder of a valid chattel mortgage or other lien on products would be the same in one case as in the other. It has been held that if a creditor of a member of a cooperative using a purchase-and-sale contract levies upon his crop after it has been made ready for delivery to the association, the levy fails because title to the crop has passed to the cooperative. In situations of this kind under an agency contract, it is believed a contrary conclusion would be reached.

Persons taking a lien on products after their delivery to an association as security for a loan made to it, are as safe under an agency contract as under a purchase-and-sale contract because valid liens in either case acquired prior to delivery of the products would take precedence over those subsequently acquired, and any action affecting the products taken after the delivery of the products and after the granting of the liens would have to respect said liens and conform to them. In a taxation case arising with respect to tobacco received by an association under a purchase-and-sale contract, the court held that the contract was really an agency contract and that the association was not liable for taxes on tobacco held by it. In the event an association using a purchase-and-sale contract failed, having on hand products or the money derived from the sale of them, a question would arise whether the members under such contracts were simply common creditors along with other unsecured creditors or whether they were preferred creditors. If title to the products actually passed to the association for all purposes, they would be common creditors, especially if the purchase-and-sale contract is authorized by statute, as this is the general rule in analogous situations where title to goods that have not been paid for has passed and the person buying them fails. On the other hand, where the association operates with an agency marketing contract, it would be difficult to conceive of a situation in which the members would be regarded as common creditors in the event of failure of the association, but on the contrary, they would be entitled to receive full returns in accordance with their contracts or the return of their products although to do so might leave creditors of the association unpaid. Any other rule would mean that the property of members could be taken to satisfy debts of the association; in this connection it should be remembered that the association is an entity separate and apart from its members.

SIXTH PRELIMINARY REPORT OF FARMERS' ELEVATOR STUDY

"Part III Series of 1925-26, Hedging Operations of Farmers' Elevators in the Spring Wheat Area," is the title of the sixth preliminary report based upon the five-year study of farmers' elevators in the spring wheat area, now being conducted by the Division of Cooperative Marketing. This study is being made in cooperation with the Agricultural Experiment Stations of Minnesota, North and South Dakota, and Montana. The report contains a brief explanation of the theory and practice of hedging by farmers' elevators and analyzes the major problems of hedging from the standpoint of the elevators. Copies of the report are available for distribution.

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HISTORY OF UNITED GRAIN GROWERS PUBLISHED

"A Farmers' Company Comes of Age," is the title of a handsome booklet of 71 pages issued by the United Grain Growers Limited, Winnipeg, Canada. It is a "special annual report issued to mark the twenty-first anniversary of this farmers' company which commenced business in September, 1906, and the completion of twenty-one years of successful service to the farmers of Western Canada." In addition to the annual report and the financial statements, there is much historical and descriptive matter, also numerous illustrations showing some of the various properties and enterprises of the organization. The booklet was printed at the company's printing plant, the Public Press, Winnipeg.

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JOINT USE OF SALES ORGANIZATION

"Joint Use of a Sales Organization by Two Cooperative Associations," is the title of Circular No. 10, U. S. Department of Agriculture, issued by the Division of Cooperative Marketing. It embodies the results of a study of the arrangement whereby the deciduous fruit of the California Fruit Exchange has been sold through the sales organization of the citrus growers, the California Fruit Growers' Exchange, for more than 25 years. The study was undertaken at the request of the board of directors of the California Fruit Growers' Exchange by the Division of Cooperative Marketing as a part of its program of economic research in the field of marketing by cooperative associations.

The nature of the operating arrangement and its long duration make it of special interest to organizations which are considering the possibilities of a similar arrangement.

Copies of the circular are available for distribution upon request.

REPORTED BY THE ASSOCIATIONS

Fourteen cooperative oil associations in Nebraska are now buying their supplies through the state organization, the Nebraska Farmers' Union Cooperative Oil Association, Omaha. A number of other farmers' oil associations have not yet joined the state organization. Some of these are said to be only partly cooperative.

At a meeting held at Regina, Saskatchewan, January 5, 1928, the Canadian Cooperative Poultry Producers, Ltd., was created as a sales agency for the Saskatchewan and Manitoba Cooperative Poultry Producers' Associations. The provincial pools plan to retain their identity and each is to have two members on the directorate of the selling agency.

Statistics compiled by the Reich Association of German Agricultural Cooperative Societies show the following totals for December 1, 1927: 108 central cooperative societies, 20,681 savings and loan banks, 4,548 purchasing and sale cooperatives, 4,077 dairy cooperatives, and 10,663 others, making a total of 40,077 agricultural cooperatives. Changes in the various groups during the month of November resulted in a net increase of 4 agricultural cooperatives.

Premiums for automobile insurance written by the Illinois Agricultural Mutual Insurance Company, Chicago, amounted to \$93,766 in 1927. Acquisition expense was \$32,660, and management expense, \$16,054. Losses paid and pending totaled \$25,209, made up of the following: fire, \$1,425; theft, \$1,086; collision, \$10,276; property damage, \$3,393; public liability, \$9,029. Losses and loss expense came to \$26,608, and the year closed with a surplus of \$13,781.

A notice in the Ukrainian language in the Western Producer, Saskatoon, Saskatchewan, for January 19, states that if the necessary arrangements can be made, an entire page will be printed in that language regularly with news of the wheat pool and the United Farmers' organization. Copies of the page will be sent to all readers who request it. However, if it is found that there are not enough Ukrainian readers to warrant the extra trouble and expense, the plan will be abandoned.

At the fifth annual meeting of the Cole County Cooperative Marketing Association, held in Jefferson City, Mo., a gift of \$100 was voted to the Farm Bureau of the county as a manifestation of confidence in the "splendid service" organization. Reports showed that sales of merchandise amounted to \$71,738 in 1927, and that \$183,004 was paid to livestock producers of the county, while 98 car loads of livestock and 70 carloads of feed, flour and fertilizer had been shipped in during the period. Payment of a 7 per cent dividend on share capital was made at the close of the meeting.

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Duis, George E. The Wheat Pool Obligation. (Radio address) The Wheat Grower, Fargo, N. D., January 15, 1928, p. 5.

First Producer House Starts Seventh Year. National Livestock Producer, Chicago, Ill., January, 1928, p. 3.

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Hood, Robin. Cooperative and Farmer Relationship. Wisconsin Farmer, Madison, Wis., January 19, 1928, p. 8.

Jesness, O. B. Cooperatives and Price Control. O K Bulletin, Vancouver, B. C., January, 1928, p. 7.

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The Rise of Bacon Cooperatives: Discussion of Another Fascinating Danish Development. Wisconsin Farmer, Madison, Wis., November 24, 1927, p. 21.

Scott, A. J. The Structure of the Wheat Pool. (Radio address) The Wheat Grower, Grand Forks, N. D., January 15, 1928, p. 5.

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Stokdyk, E. A. The Kansas Wheat Pool, Its Set-Up and Marketing Policy-A Successful Farmers' Company. (Editorial) Farm and Dairy, Peterboro, Ont., January 19, 1928, p. 8.

IN THIS ISSUE

	<u>Page</u>
Grain:	
Status of farmers' elevators in the United States	33
Alberta pool operates many country elevators	34
Third year for Indiana wheat pool	34
New provisions in contract of Kansas wheat pool	34
Fruits and vegetables:	
Advertising campaign for Sunkist grapefruit (Calif.)	35
Christmas refund to Colorado potato growers	35
California association ships mainly Bartlett pears	35
All of gross sales go to growers (New York)	36
Melon association reviews membership figures (Georgia)	36
New means of disposing of cull apples (Wash.)	36
Favorable year for Eastern Shore of Virginia Exchange	37
Dairy products:	
Expansion of Aberdeen Equity Union creameries (S. D.)	38
New York cheese marketed cooperatively	39
Miami Valley association plans for surplus milk (Ohio)	39
Ohio milk association takes in more territory	39
Livestock:	
Seventh year completed by Fayette Producers. (Ohio)	40
Thirty-six county livestock shipping associations in Ohio	41
Ten years of commission business in St. Joseph (Mo.)	41
Large part of deductions will be returned (Minn.)	42
Walnuts:	
Walnut association marketing bumper crop (Calif.)	43
Tobacco:	
Tobacco growers operating loose-leaf warehouses (Ky.)	44
Wool:	
Three states market wool cooperatively (Ohio)	44
Seventh annual mohair pool being closed (Ore.)	44
Insurance:	
Reports for Iowa mutual insurance companies	45
Purchasing:	
West Virginia organization serves many farmers	45
Nebraska Farmers' Union State Exchange reports	45
Ohio service company sells and buys for farmers	46
Legal:	
Agency and purchase-and-sale contracts	47
Publications:	
Sixth preliminary report of farmers' elevator study	49
History of United Grain Growers published	49
Joint use of sales organization	49
Miscellaneous:	
Reported by the associations	50
Selected list of publications and articles	51